

FARM SERVICE EXEMPTIONS FOR PURPOSES OF 43 CFR PART 428

General exemptions not included in 43 CFR part 428

1. Reclamation generally treats estates in the same manner as trusts for acreage limitation purposes if certain criteria are met. However, for purposes of applying the requirements of 43 CFR part 428, an estate **will not** be treated in the same manner as a trust.
2. Public entities **will not** be considered to be farm operators for purposes of applying the requirements of 43 CFR part 428. This includes districts and the Department of Agriculture's Extension Service.

Exempt Services

1. "Accounting." Includes preparation of RRA forms, preparation of tax forms for the farming enterprise and associated landholders, bookkeeping, and payroll processing.
2. "Computer services." Includes the installation, maintenance, and repair of hardware and software, programming, and maintenance of databases.
3. "Energy services." Includes supplying fuel (e.g., gasoline, diesel fuel, natural gas, etc.), oil, lubricants, and electricity.
4. "Financial services." Includes loaning money (e.g., operational loans, mortgages, equity loans, etc.), providing checking, savings, and money market accounts, providing investment services, revolving credit accounts (e.g., credit cards), bookkeeping, and payroll processing.
5. "Free services" such as "free" advice.
6. "General market promotion." This includes activities such as a milk marketing association, an egg producers board, etc.
7. "Harvesting, packing, processing, and marketing." Includes the following activities related to **harvesting**: baling, combining, cutting, digging, hauling (both on-site and off-site), mowing, picking, raking, stacking, storage, cotton stripping, swathing, threshing, windrowing, and wrapping. Includes the following activities related to **packing and processing**: canning, cleaning, culling, freezing, ginning, grading,

hauling (both on-site and off-site), labeling, packaging, sizing, sorting, and storage. Includes the following activities related to **marketing**: advertising, brokering, retail sales, and wholesale sales.

This exemption **does not include** any activity that may happen on the land itself after a harvest, such as tilling the land to get it ready for the next year.

8. "Insurance services." Includes providing insurance coverage, servicing insurance policies, and processing insurance claims.

9. "Irrigation system installation and maintenance." Includes the installation, maintenance, and repair of irrigation systems.

10. "Legal services." Includes the preparation of leases, preparation of trusts, participation in land sales, preparation of RRA forms, representation at judicial proceedings, and representation at governmental meetings and hearings.

11. "Purchasing farm products" after harvest. Includes buying fruits, grains, hay, nuts, vegetables, animal products, or any other product produced on the farm. No other farm-related service can be considered to be part of buying farm products.

For example, if an individual should purchase a crop and include planting of that crop as part of the contract, then that individual is providing at least one-farm related service, namely "Planting and Cultivation."

12. "Real estate brokerage." Includes activities associated with the buying and selling of real property, such as appraisals, mortgage lending, and inspections.

13. "Selling agricultural supplies." Includes the sale of seed, nursery stock, agricultural chemicals, and agricultural supplies.

14. "Structure construction and maintenance." Includes the construction, maintenance, and repair of farm houses, barns, storage structures (e.g., corn cribs and grain silos), out buildings, and fences. This exemption **does not include** construction of irrigation facilities.

15. "Vehicle and implement sales, leasing, lending/borrowing, and service." Includes the sale, leasing, rental, lending, maintenance, servicing, and repairing of vehicles used on the farm (e.g., trucks, tractors, etc.) and farm implements (e.g., combines, plows, etc.) and selling parts for those vehicles and implements. If the vehicle or implement comes with an operator, then the service being provided is not exempt.

For example, if a landholder should borrow a corn planter, then the person lending the corn planter to the landholder will not have provided a farm-related service. However, if the person lending the corn planter or an employee of that person should also operate the implement on the landholder's land, then that person has provided at least one farm-related service, namely "Planting and Cultivation."

16. "Veterinarian services."